

9625 Interest Payments to the Federal Government

As a result of Public Law 101-453, 31 U.S.C. 3335 and 6503, which enacted the Cash Management Improvement Act of 1990 (CMIA), the state will incur an interest liability to the federal government. The purpose of CMIA is to ensure greater efficiency, effectiveness, and equity in the exchange of funds between the federal government and the state. The major provisions of CMIA are: (a) federal agencies must make timely fund disbursements and grant awards to the state; (b) the state must minimize the time between the deposit of federal funds in the state account and the payout of the funds for program purposes; (c) the state is entitled to interest from the federal government from the time state funds are paid out for program purposes until federal funds are deposited in the state account; and (d) the federal government is entitled to interest from the state from the time federal funds are deposited in the state account until the funds are paid out for program purposes.

The federal assistance programs impacted by the CMIA are those programs that have \$216 million or more in federal fund expenditures. For the majority of these programs, state agencies request federal funds in advance of the warrant (i.e., check) issuance. State agencies use this funding technique because the State Constitution requires that the funds be deposited before the warrants are issued.

Interest payments to the federal government are due no later than March 31 each year. The March 31, 2007 payment will be for the interest liability incurred during the state's 2005-06 fiscal year.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Interest Payments to the Federal Government	-	-	-	\$12,311	\$24,702	\$30,902
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$12,311	\$24,702	\$30,902
FUNDING				2005-06*	2006-07*	2007-08*
0001 General Fund				\$12,026	\$24,000	\$30,000
0042 State Highway Account, State Transportation Fund				285	700	900
0494 Other Unallocated Special Funds				-	1	1
0988 Various Other Unallocated Non-Governmental Cost Funds				-	1	1
TOTALS, EXPENDITURES, ALL FUNDS				\$12,311	\$24,702	\$30,902

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Pursuant to annual Budget Act.

DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Increase Interest Payments	\$-	\$-	-	\$6,000	\$200	-
Totals, Baseline Adjustments	\$-	\$-	-	\$6,000	\$200	-
TOTALS, BUDGET ADJUSTMENTS	\$-	\$-	-	\$6,000	\$200	-

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$6,500	\$24,000	\$30,000
Revised expenditure authority per Provision 2	6,300	-	-
Totals Available	\$12,800	\$24,000	\$30,000
Unexpended balance, estimated savings	-774	-	-
TOTALS, EXPENDITURES	\$12,026	\$24,000	\$30,000
0042 State Highway Account, State Transportation Fund			

* Dollars in thousands, except in Salary Range.

9625 Interest Payments to the Federal Government - Continued

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
APPROPRIATIONS			
001 Budget Act appropriation	\$500	\$700	\$900
Totals Available	\$500	\$700	\$900
Unexpended balance, estimated savings	-215	-	-
TOTALS, EXPENDITURES	\$285	\$700	\$900
0494 Other Unallocated Special Funds			
APPROPRIATIONS			
001 Budget Act appropriation	\$1	\$1	\$1
Totals Available	\$1	\$1	\$1
Unexpended balance, estimated savings	-1	-	-
TOTALS, EXPENDITURES	\$-	\$1	\$1
0988 Various Other Unallocated Non-Governmental Cost Funds			
APPROPRIATIONS			
001 Budget Act appropriation	\$1	\$1	\$1
Totals Available	\$1	\$1	\$1
Unexpended balance, estimated savings	-1	-	-
TOTALS, EXPENDITURES	\$-	\$1	\$1
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$12,311	\$24,702	\$30,902

* Dollars in thousands, except in Salary Range.